

# North Lanarkshire Council Report

## Policy and Strategy Committee

approval  noting

Ref RS/KS

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## Update on Composite Capital Programme to 2022/23

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### Executive Summary

The purpose of this report is to provide an update to Committee outlining proposed amendments to the programme 2019/20 to 2022/23, as a result of the 2019/20 revenue budget decisions and other recent Council and Scottish Government decisions. This report should be considered in tandem with the report on the Community Investment Fund which is also being considered at committee.

The report will:

- Detail the revised forecast level of resources;
- Detail proposed amendments to expenditure between 2019/20 and 2022/23;

### Recommendations

It is recommended that Committee:

- a) Note the revised resources available to fund the capital programme;
- b) Approve the proposed amendments to the capital programme as summarised in appendix 1; and
- c) Authorise the Strategic Capital Delivery Group (SCDG) to re-profile the programme across the remaining term of the plan, to ensure an efficient and effective delivery of the programme.

### Supporting Documents

**The Plan for North Lanarkshire** All five strategic priorities

#### Appendix 1:

#### 1. Background

- 1.1 In March 2018, the Policy & Resources Committee approved the Composite Capital programme for 2018/19 and 2019/20 and the indicative plans for a further 3 years to 2022/23.
- 1.2 In light of recent Council and Scottish Government decisions, the Strategic Capital Delivery Group (SCDG) has reviewed the remaining 4 years of the current capital programme and has proposed amendments which will ensure the programme is managed within the available resources and in line with the

priorities for the Community Investment Fund (see appendix 1 attached).

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## **2. Report**

### **Update on Forecast Resources & Programme delivery (exc. City Deal & School Campus)**

- 2.1 The 5 year programme was developed based on estimates of available resources over the planning period, including government grant, prudential borrowing and capital receipts.
- 2.2 This report provides Committee with an update on the programme following recent material Council and Scottish Government decisions as follows;
  - 2.2.1 In February 2019 the Council approved the 2019/20 revenue budget to meet the statutory requirement to set a balanced budget and to close the funding gap. The budget included a re-profiling of revenue costs of capital of £3.445m. This includes a £1m revenue saving which requires a £20m realignment of the Town Centre ambition plans. These plans will now be considered under the Community Investment Fund. In addition, the Council agreed to reduce the 2019/20 investment in the Local Development programme by £3m.
  - 2.2.2 The Local Government Finance Settlement (LGFS) in December 2018 provided a 1 year settlement for 2019/20, which reflected a reduction in capital grant of £1.321m in relation to the planning assumption. The remaining 3 years from 2020/21 to 2022/23 remain unchanged from the original estimate.
  - 2.2.3 The 19/20 revenue budget decision established the Community Investment Fund and kick-started this with £14m made available for investment. This provided a level of certainty around the Fund which affords the opportunity to review the 5 year capital programme with a view to reprofiling planned expenditure and ensuring it is fully aligned to plans for the Community Investment Fund.
  - 2.2.4 The Policy and Strategy Committee recently approved a report on the Detailed Design: Digital NL Transformation Programme including the indicative 5 year investment requirement. This included an indicative £20m one-off cost for VRS. Re-alignments of capital plans highlighted in appendix 1 will provide the opportunity to release future capital receipts to fund these one off costs, thus reducing future pressure on the Change Management Fund.
- 2.3 Table 1 below summarises recent Council and Scottish Government decisions which have resulted in a revised level of Composite Capital resources, amounting to a reduction of £15.529m over the remaining 4 years of the programme.

**Table 1**

	19/20 £m	20/21 £m	21/22 £m	22/23 £m	Total £m
Capital Grant Reduction	1.321				1.321
Capital Receipts to Capital Fund	4.525	4.125	3.375	3.216	15.241
<b>Total Reduction in Resources</b>	5.846	4.125	3.375	3.216	16.562
					Removal of 18/19 unallocated transformation fund (1.033)
					<b>Re-profiling required in capital programme</b>
					<b>15.529</b>

2.4 The SCDG has undertaken a review of the programme to ensure it is managed within the above resources. Appendix 1 attached outlines the proposed amendments along with further information regarding the areas impacted by the reprofiling of expenditure.

2.5 The SCDG will adjust the delivery phasing and programme requirements in line with the reprofiled plans and the resulting programme will be monitored and reported to the Finance and Resources Committee.

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### 3. Equality and Diversity

#### 3.1 Fairer Scotland

Specific impact assessments are undertaken by services when developing investment options. These will be carried out in line with Council policy and The Fairer Scotland Duty assessment process.

#### 3.2 Equality Impact Assessment

Specific equality impact assessments are undertaken by services when developing investment options. These will be carried out in line with Council policy.

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### 4. Implications

#### 4.1 Financial Impact

4.1.1 Reflecting the revised assumptions in this report, the capital programme to 2022/23 requires to be reprofiled to ensure expenditure is within the revised resources available. This will be managed in line with proposed amendments outlined in appendix 1.

#### 4.2 HR/Policy/Legislative Impact

4.2.1 The realignment of the capital programme does not have a specific HR/Policy/Legislative impact however, individual projects will be required to comply with all relevant HR/Policy and Legislative requirements over the course of the programme.

### 4.3 Environmental Impact

4.3.1 There are no specific environmental issues associated with the realignment of the capital programme, however it is essential that projects comply with all current, and future, relevant environmental policies and legislative requirements.

### 4.4 Risk Impact

4.4.1 Council in approving the 5 year capital programme recognised it would expose the Council to a number of risks, not least of all the inherent risk of significant variation in forecasting as a result of estimating future resources. It is the responsibility of individual managers, Executive Directors and the SCDG to ensure action is taken to adjust the programme when required. The recommended actions within this report will mitigate the impact of reduced resources.

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## 5. Measures of success

The Strategic Capital Delivery Group will continue to monitor the performance of the capital programme and liaise with officers, CMT and members to ensure completion of the programme in line with available resources.

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**Robert Steenson**  
Executive Director of Enterprise & Communities

Appendix 1

Programme change	2019/20 - 2022/23 £m	Further Information
Asset & Procurement (excluding former Education)	(6.223)	Primarily reprofiling; condition works, asset transformation, energy efficiency, environmental assets building improvements, catering/ cleaning equipment purchases.
Asset & Procurement (Former EYC)	(5.000)	Reprofiling of investment for CNL/ NLL programme and curriculum development to ensure full consideration of CIF priorities
Regulatory Services & Waste Solutions	(1.345)	Following a further review of future requirement for fleet replacement
Environmental Assets	(2.820)	Primarily reprofiling of investment in; street lighting, roads improvements, cemetery works, other infrastructure improvements
Social Work	(0.141)	Reprofiling of funding of Integrated Equipment and Adaptations
<b>Total Programme Amendment</b>	<b>(15.529)</b>	

Note; Community Investment Fund now estimated at £705m